



OFFICE OF

INSURANCE COMMISSIONER

BULLETIN

REPLY TO:
OLYMPIA OFFICE
INSURANCE BUILDING
OLYMPIA, WASHINGTON 98504
753-7300, AREA CODE 206

No. 85-2

May 15, 1985

Subject: **TWO ITEMS OF IMPORTANCE TO LIFE INSURERS**

Item 1. Policy Settlements--Interest.

RCW 48.23.300 has been amended, effective July 28, 1985, to read as follows:

Any life insurer shall have the power to hold under agreement the proceeds of any policy issued by it, upon such terms and restrictions as to revocation by the policyholder and control by beneficiaries, and with such exemptions from the claims of creditors of beneficiaries other than the policyholder as set forth in the policy or as agreed to in writing by the insurer and the policyholder. Upon maturity of a policy in the event the policyholder has made no such agreement, the insurer shall have the power to hold the proceeds of the policy under an agreement with the beneficiaries. The insurer shall not be required to segregate funds so held but may hold them as part of its general assets.

- (New) An insurer shall pay interest on death benefits payable under the terms of a life insurance policy insuring the life of any person who was a resident of this state at the time of death. Such interest shall accrue commencing on the date of death at the rate then paid by the insurer on other withdrawable policy proceeds left with the company, but not less than eight percent. Benefits payable that have not been tendered to the beneficiary within ninety days of the receipt of proof of death shall accrue interest, commencing on the ninety-first day, at the aforementioned rate plus three percent. This section applies to death of insureds that occur on or after September 1, 1985.

Item 2. Uniform Unclaimed Property Act--Beneficiary Forms.

RCW 63.29.070 deals with funds owing under life insurance policies, and is part of the Uniform Unclaimed Property Act enacted by the legislature in 1983. Pursuant to subsection (7) of that statute, beginning July 1, 1985

every change of beneficiary form issued by an insurance company under any life or endowment insurance policy or annuity contract to an insured or owner who is a resident of this state must request the following information:

- (a) The name of each beneficiary, or if a class of beneficiaries is named, the name of each current beneficiary in the class;
- (b) The address of each beneficiary; and
- (c) The relationship of each beneficiary to the insured.

DICK MARQUARDT
Insurance Commissioner